

Lease Agreement Number (assigned by WRD): 303

**STATE OF OREGON
WATER RESOURCES DEPARTMENT**

**Short-Term Water Right Lease Agreement
Pursuant to ORS 537.348(2) and OAR 690-077-0077
for
Leases of Existing Water Rights for Instream Use**

This Lease Agreement is between:

Lessor #1:

(Name) William E. Miller Estate and ~~Central Oregon Pumice Company~~ LKS
(Mailing address) 110 NE Greenwood Ave.
(City, State, Zip Code) Bend, OR. 97701
(Telephone number) (541) 382-2022

Lessor#2, 3, etc.

The water right to be leased is located in Deschutes County

Lessee (if different than Oregon Water Resources Department):

(Name) Not Applicable
(Mailing address)
(City, State, Zip Code)
(Telephone number)

Trustee:

Oregon Water Resources Department
158 12th Street NE
Salem OR 97301
(503) 378-8455

~I~

1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 17 S, Range 11 W, Section 36 and Tax Lot number 300. If the water right appurtenant to these lands is also appurtenant to lands owned by others, then Attachment 1, (tax lot map of lessor's property) needs to be included.

1.2 Lessor #2 is the (Check one):
 Not applicable

- Official representative of _____, the irrigation district which conveys water to the subject water rights.
- Another party with an interest in the subject water rights representing _____.

1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.

Certificate No. 76320, 76321, 76322 & 76323

1.4 Subject Water Rights. Lessor proposes to lease the water rights listed in 1.3.

The right(s) to be leased are further described as follows: *see additional information pages.*

Certificate No.: 76320 and 76322

Priority date: 02/12/73 and 09/19/74 Type of use: Irrigation

Legal Season of Use (if not listed on the certificate): April 15 through October 15

Is the entire water right certificate being leased?: Yes No

If no, list the acres to be leased by legal description of township, range, section, and ¼ ¼ which will be dried up as part of this lease, and include a map (Attachment 2) showing the lands which will not receive water.

Place of use: T 17 S, R 11 E, Section 36, ¼ ¼ - _____ acres to be leased

Enter additional places of use here, using format above:

NOT APPLICABLE

ONLY STORAGE RIGHTS WILL BE LEASED.

Page (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres, if for irrigation: 0

Acre-feet of storage, if applicable: 33.7AC-FT

Rate associated with leased rights (cfs): .25CFS for 68 days on amount under a mutual agreement among all parties

(Use additional lines if there is more than one rate associated with the water right.)

Duty associated with leased rights (AF): Not to exceed 2.5 acre feet per acre

(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any:

If you need to enter another leased right, please use the additional water rights form.

1.5 Validity of Rights. Lessor(s) attests (mark one) that:

- the water has been used over the past five years according to the terms and conditions of the owner's water right certificate or as an instream water right or
- the water has not been used over the past five years according to the terms and conditions of the owner's water right certificate, however the water right is not subject to forfeiture under ORS 540.610(2)()(include necessary supporting documentation as Attachment 3).

~II~

2.1 **Public Use.** This lease will increase streamflows which will benefit:

- Conservation, maintenance and enhancement of aquatic and fish life, wildlife, and fish and wildlife habitat
- Pollution abatement
- Recreation and scenic attraction

2.2 **Instream use created by lease.** The instream use to be created is described as follows:

See additional information pages

Tumalo Creek

Tributary to The Deschutes River in the Deschutes Basin.

Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease will be processed to be protected at the point of diversion): From the POD, 1,014 feet North and 174 East of the South 1/4 corner of Section 34, T17S, R11E, to the mouth.

Total volume in acre-feet: 33.7

Rate in cfs: .025 CFS for 68 days, starting June 1, 2002

Allowed period of use:

(Use the section below to indicate a more restrictive period of use than allowed by the water right.)

Conditions to prevent injury, if any:

- None
- The instream flow will be allocated on a daily average basis up to the described rate from ____ through ____.
- Other (describe):

If you need to enter more instream uses, please use the additional water rights form.

2.3 **Term of lease.** This lease shall terminate on 10-15-03
CKS

2.4 **Compensation.** The Lessor has agreed to lease subject water right for the sum of \$1.00, or other valuable considerations and for the benefit of the state of Oregon.

2.5 **Flow protection.** The Trustee will regulate use of water from the source, subject to prior appropriation and the agency enforcement guidance, to assure the water is delivered to the point of diversion, and through the reach past junior downstream users, so long as flow is sufficient to meet the demand under priority date of the new instream use (see section 2.2). No party is required to continuously measure the flow of the waterway described in Section 2.2.

2.6 **Termination provision.**

- For multiyear leases, lessor *shall* have the option of terminating the lease each year, prior to the lease being exercised, with 30 day written notice to the Department.
- For multiyear leases, lessor *shall not* have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.

~III~

3.1 Accuracy. The Undersigned Lessor/s, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This lease only exercises the water rights being leased; for the term of the lease; it shall not be construed to overcome any claim that the water right may otherwise be subject to forfeiture for nonuse pursuant to ORS 540.610 during the period of time prior to the execution of the lease.

3.2 Lease. All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.

3.3 Precedent. If a right which has been leased is later proposed to be leased again or transferred to an instream use under ORS 537.348 and OAR 690-077-0070 or OAR 690-077-0075 a new injury review shall be required, and a prior short term lease shall not set a precedent for the amount of water to be leased or transferred instream.

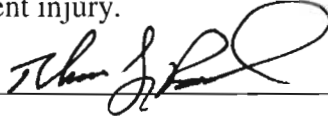
3.4 Suspension of original use. During the period of the lease, the owner agrees to suspend use of water allowed under the subject water rights and under any water right that is supplemental to the subject water rights. In the event that a supplemental water right is not part of this lease, it may be subject to forfeiture.

Lessor #1:  PR Date: 5/21/02

For additional Lessors, type in space for signature and date

Lessee: _____ Date: _____

3.5 Allocation of water to the instream use described in Section 2.2 during the term of this lease is not reasonably expected to cause injury to other rights to use water from the same source. If injury is found after this lease is signed, the lease may be modified or terminated to prevent injury.

So ordered by Trustee:  Date: July 3, 2002

Effective date is _____ (if later than the date of the Trustee's signature).

Other Attachments As Needed:

Attachment 1: Tax Lot Map of Lessor's Property (required if landowner is not the sole landowner to lands for which the subject water rights are appurtenant)

Attachment 2: Detailed map illustrating lands under subject rights to be leased (required if only part of a right is being leased instream).

Attachment 3: Supporting documentation indicating why a right is valid and not subject to forfeiture even though the right has not been exercised for five or more consecutive years (required if the second box in Section 1.5 is checked)

Attachment 4: Split Season Instream Use Form

Additional Information

Section 1.4, (Standard Leasing Form) cont.

Subject Water Rights. Lessor proposes to lease the water rights listed in 1.3. The right(s) to be leased are further described as follows:

Certificate No.: 76322

Priority date: 02/12/73 Type of use: Storage for Irrigation

Legal Season of Use (if not listed on the certificate):

Is the entire water right certificate being leased?: Yes No

If no, list the acres to be leased by legal description of township, range, section, and ¼ ¼ which will be dried up as part of this lease, and include a map (Attachment 3) showing the lands which will not receive water.

Place of use: T 17S, R 11 E, Section 36, ¼ ¼ - _____ acres to be leased

Enter additional places of use here, using format above:

Not applicable-only storage rights will be leased

Page ____ (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres, if for irrigation: 0-

Acre-feet of storage, if applicable: 2.7 acre feet

Rate associated with leased rights (cfs): .02 CFS

(Use additional lines if there is more than one rate associated with the water right.)

Duty associated with leased rights (AF): Not to exceed 2.7 acre feet

(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any:

Section 2.2, cont.

Instream use created by lease. The instream use to be created is described as follows:

Tumalo Creek

Tributary to The Deschutes River in the Deschutes Basin.

Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease will be processed to be protected at the point of diversion): The POD is 1014 feet North and 174 feet East of the South 1/4 corner of section 34, T17S, R11E. The reach extends from the POD to the mouth.

Total volume in acre-feet: 2.7

Rate in cfs: .02 Allowed period of use:

Conditions to prevent injury, if any:

None

The instream flow will be allocated on a daily average basis up to the described rate from _____ until _____.

Other (describe):

Additional Information

Section 1.4, (Standard Leasing Form) cont.

Subject Water Rights. Lessor proposes to lease the water rights listed in 1.3.

The right(s) to be leased are further described as follows:

Certificate No.: 76320

Priority date: 02/12/73 Type of use: Storage

Legal Season of Use (if not listed on the certificate):

Is the entire water right certificate being leased?: Yes No

If no, list the acres to be leased by legal description of township, range, section, and ¼ ¼ which will be dried up as part of this lease, and include a map (Attachment 3) showing the lands which will not receive water.

Place of use: T 17 S, R 11 E, Section 36, ¼ ¼ - _____ acres to be leased

Enter additional places of use here, using format above:

Not applicable-only storage rights will be leased

Page ____ (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres, if for irrigation: -0-

Acre-feet of storage, if applicable: 31.0 acre -feet

Rate associated with leased rights (cfs): 0.23 CFS

(Use additional lines if there is more than one rate associated with the water right.)

Duty associated with leased rights (AF): Not to exceed 31.0 Ac-ft

(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any:

Section 2.2, cont.

Instream use created by lease. The instream use to be created is described as follows:

Tumalo Creek

Tributary to The Deschutes River in the Deschutes Basin.

Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease will be processed to be protected at the point of diversion): The POD is 1014 feet North and 174 feet East of the South 1/4 corner of section 34, T17S, R11E. The reach extends from the POD to the mouth.

Total volume in acre-feet: 31.0

Rate in cfs: .23 Allowed period of use:

Conditions to prevent injury, if any:

None

The instream flow will be allocated on a daily average basis up to the described rate from _____ until _____.

Other (describe):